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Canada. Parliament. House of Commons.
Special Committee on Trends in Food
Prices
Submission.

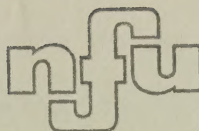
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Submission

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to the

House of Commons Committee

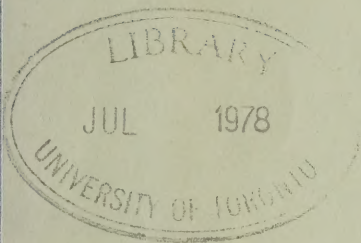
on the subject of

Trends in Food Prices

presented at

Ottawa, Ontario

February 27, 1973



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National Farmers Union

Submission

to the

House of Commons Committee

on the subject of

Trends in Food Prices

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INTRODUCTION

. We are pleased to accept this opportunity to appear before your committee on the important question of food prices.

. Unquestionably, the Canadian people share a common interest in the subject under review. Regrettably there is a widely held view that the current study of your committee will fail to achieve the in depth analysis and understanding of the Canadian food industry and the remedial action that the situation would appear to warrant. We share in considerable degree this skepticism.

STRUCTURE OF THE FOOD INDUSTRY

. We base our skepticism on the belief that the current study being made by your committee has been chiefly motivated by the recent rapid acceleration in the food price index.

. If this is indeed the case, then the study faces a problem of credibility in the eyes of the general public for it will have primarily

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investigated the symptoms rather than the underlying causes of the present problem namely the growing concentration of power within the food industry itself as one sector of the multinational corporation.

The growing concentration of market power within the food processing, wholesaling and retailing industries evident today has not happened as a sudden overnight phenomenon.

It has been building up slowly over a great many years. It has been talked about a great deal but has been allowed to flourish virtually unchallenged. The subject, we believe is large and complex and that a hurried examination by this committee will do little to solve the problems that face us as a nation.

There has been in evidence a great double standard in the food industry. On the one hand the farmer produces food which he places for sale on a market which zealously protects the myth of free enterprise and the law of supply and demand as being the cardinal rules of business practice for the establishment of basic farm prices. Under this system, farmers find themselves in competition with one another for a share of the available market in the sale of like or similar products.

There are those who are inclined to look at farm prices of farm products as the source of current food price inflation, particularly for red meats.

It has long been our view that farmers by and large have in
t been underpaid for farm production of all descriptions including
t. We regard present farm price levels for red meats as being some-
t more in balance with costs than has been the case for some
nsiderable time.

Your committee has unquestionably had presented to it the
relationship of the declining portion of each dollar earned by consumers
at is now required to be spent on food. A recent Department of
riculture Farm Letter (No. 76, September, 1972) places this ratio at
.3%. An Economic Council of Canada forecasts this figure will decrease
13% of every dollar earned by 1980.

Whether or not the consumer is getting good value for his
od dollar given present sophisticated methods of processing,
ckaging, distribution, wholesaling and retailing is nonetheless a
gitimate question and deserves close scrutiny.

The prices paid to producers afford them no assurance or
arantee of receiving a return related to costs and allowing a margin
investment.

The buyers of farm products are in quite another position
because farmers collectively do not yet possess sufficient bargaining
power of large international oligopoly or monopoly buyers. With powers
administrative prices and the ability to manipulate supplies to their

at the best advantage, such corporations are flourishing and expanding.

There can be no better example than the exploitation of growers producing vegetables for the food processing industry.

The contracting by farmers of production at a fixed price prior to a growing season transfers to them the major risk of short crops or over supplies.

If the crop is short the processor is able to raise prices because his plant operates at less than capacity, enabling him to claim higher overhead costs. Quality may also be lower in a short crop year, further compounding farmers problems.

The farmer under contract does not benefit from a national or local short supply and a greater demand --- but the processor, does.

Contract prices are in our view invariably set so low as to virtually guarantee processors a profit irrespective of conditions.

This type of business practice was reported in the Financial Post, September 30, 1972 in which a spokesman for McCain Foods Ltd., a major New Brunswick potato processor commenting on the 1972 short crop in potato stated:

"We contracted for our requirements back in March so we're paying the same price as last year even though fresh potato prices are going up."

The same article continues:

"Investment analysts expect the food processors may even benefit from the shortage situation since they'll be in a position to take inventory profits."

The level of prices paid to growers who produce under contract so deserves comment.

Table 1, Appendix A, indicates clearly the static price levels of vegetables grown under contract for processing. Average prices for beans are lower in 1972 than in the five year average 1960 - 64. B.C. carrots show no price increase in 12 years.

The greatest gain recorded in farm price was for peas packed in C., an increase of slightly over 1¢ per pound in 12 years.

Tables 2 and 3, Appendix A illustrate the growing volume of potatoes and vegetables processed in Canada as well as our growing balance in the fresh vegetable trade although we possess the productive capacity to grow more in this country.

We attribute this trade imbalance in part to the growing integration of the food industry and foreign ownership and domination of basic market outlets.

The Report of the Royal Commission on Price Spreads of Food Products, September, 1959, dealt extensively with marketing margins in the food industry and its profit levels.

The Commission referred particularly to the prepared breakfast foods industry and retail chain stores and stated:

"These have been selected because in each instance the rate of return or net worth has exceeded 10% throughout the period. Over the nine years the average rate was 29.2% for three breakfast food firms and 17.1% for five corporate retail chains. We do not single out these cases as the only situations in which there might be reason to be concerned about the effect of industry performance on the unorganized primary producer and the unorganized consumer. They illustrate the consequences of industrial structure and practices which are certainly not confined to the preparation of breakfast foods or or large scale retailing." (Vol. 1, pps 42,43)

28. The Prairie Provinces Cost Study Commission Report (1968)

determined that while the operating profit as a percentage of net worth for incorporated chains across Canada for an average 5 year period 1960 - 64 was 16.0% the profit on net worth of incorporated chains in the cities of Winnipeg, Regina, Saskatoon, Calgary and Edmonton was 28.1% as compared with 13.8% in all U.S. food stores. (P. 197, Report of the Royal Commission on Consumer Problems and Inflation)

29. What is the national situation at the present time in respect to chain store profits?

30. What is the degree of concentration of scale in retail sales of the largest independent and chain stores?

31. The Financial Post, February 17, 1973 reports that in Canada the large independent (more than \$200 million sales annually) and corporate chains together represent only 18% of total food store numbers but their share of the total food dollar is a disproportionate 77%. In the United States the trend is still more pronounced with 15% of stores owned by large independents and corporate chains accounting for 94% of sales.

3. Are we prepared to allow similar concentration in food retailing in this country?

4. The Prairie Provinces Study investigated the degree of excess capacity in the retail grocery industry. In a study of six groups of stores, it was found that excess capacity ranged from 32.3% to 80.3%. Excess capacity was defined by this commission as existing when sales are not large enough to carry the firm to the point where its cost per unit of sales are at a minimum.

5. What is the cost to the Canadian consumer of excess capacity in retail food chains?

6. The Prairie Provinces Study committee indicated that newspaper advertising by chains increased from 2.94 pages per week in the period 1952 - 56 to 6.33 pages per week in the period 1962 - 66.

7. To what extent is advertising of all kinds contributing to consumer costs today?

8. The Prairie Provinces Study surveyed the non-chain retail trade in order to determine to what degree kickbacks or quantity discounts and advertising allowances prevail in the wholesale to non-chain retail trade. It discovered that the large volume sales outlets of over \$500,000 in annual sales benefitted substantially from these practices.

9. To what extent do these trade practices now prevail and stifle competition from smaller outlets?

0. Where are the areas of greatest profitability in the vertically integrated movement of food from the processor to wholesaler to retail food chains or is it possible to unscramble? With increased processing and packaging, margins have widened and it appears to us that the profit often may be greater in the container than in the actual product.

1. To what extent have and are mergers continuing to take place in the food manufacturing industry and with what effect to food prices and profits?

2. A recent Financial Post report (February 17, 1973) speculates on a possible stock battle shaping up between George Weston Ltd. (\$2,580 million sales in 1971 including the Loblaw group) in its bid to gain effective control of M. Loeb Limited (\$531 million sales in 1971).

4. Loeb Limited holds the wholesale franchise for I.G.A. outlets and owns a number of allied food processing firms, transportation, wholesale and investment interests.

43. A successful bid by the Weston group for controlling shares of M. Loeb Limited will further add to the strength of this conglomerate giant. (See Appendix A)

44. We raise these various questions because we believe the trends in the food industry established by the 1958 Royal Commission on Price Spreads of Food Products badly need updating. Further we believe answers to these questions are relative in determining the direction of

the entire food industry in this country. But the really big decisions, once answers are known, is what can or will government do about them?

5. An advertising executive speaking on the need for industry co-operation in supplying distribution recently is reported to have reminded food suppliers at the Canadian Grocery Distributors Institute meeting in Toronto: "So what's so bad about industry co-operation? After all, your competitors aren't your enemies but your consumers are". (Financial Post, February 17, 1973)

6. What an amazing indictment of the so-called competitive free enterprise system! There's a fine line between "co-operation" and collusion" in our view.

7. We are concerned over the tremendous arrogance and power wielded in the dairy industry by such a giant international company as the Kraft Corporation and the implications to farmers and consumers alike when the major portion of all cheese produced or imported into this country is marketed by a single corporation.

8. Our organization has recognized the power of Kraft in the marketplace and is currently engaged in a boycott against the products of that organization. We believe if consumers, including the members of the committee, are genuinely concerned over corporate monopoly control in the food industry, they share a moral obligation to support action such as the Kraft boycott which can force the creation of a more diversified market and choice of product.

19. We are concerned over the nutritional quality of food that comes as a result of increased processing and artificial chemical additives. This is a concern your committee must share as well.

50. We regard, with concern, requests of corporate food processors from exemptions of the regulations of the Corporations Act in the filing of financial statements.

51. Among such corporations seeking exemptions for supposed "competitive reasons" have been:

(a) Carnation Foods Ltd., a subsidiary of Carnation Company Ltd. and Simplot Industries Incorporated, two U.S. owned corporations

(b) Victory Soya Mills, a subsidiary of Proctor and Gamble Limited, a large U.S. corporation;

(c) St. Lawrence Starch Co. Ltd., a family owned Canadian Corporation.

52. We object in principle to the issuance of exemptions from filing financial statements by these corporations since this conceals from public scrutiny the degree of profitability in the manufacture of specific food products.

53. We believe this committee has a legitimate interest in concerning itself over such corporate tactics. Our organization has protested to the Department of Consumer and Corporate Affairs.

4. Carnation Foods Company Limited deserves particular mention. It is a potato processing firm. All its production is marketed by Carnation Company. Its 1971 financial statement indicates that it had received a Canadian Government Area Development Incentives Act grant of \$247,000 and had applied for an additional amount of \$158,000.

5. This grant was presumably to expand its processing facilities in Manitoba.

6. It is of interest that after having received a federal grant this company suspended its potato processing operations in southern Alberta in 1972.

7. To what extent are governments unwitting accomplices to the creation of regional disparities through support of corporations well able to finance themselves?

8. We believe Carnation Foods Ltd. future financial affairs should be of interest and concern to the general public. As a matter of principle any corporation acquiring public funds must be made publically accountable.

9. We are in the era of the multi-national corporation. According to Dr. Harold V. Perlmutter, Professor of Industry, University of Pennsylvania, the multi-national corporation will, by 1985, be the dominant institution, no longer multi-national but supranational, and

ing business on the phenomenal scale of \$5,000 million to \$160,000 million annually.

0. By 1985, he predicts 300 of these colossi will have emerged as the principal world-wide organizers of human energies, natural resources and capital.

1. International buying and selling which once would have been "foreign trade" will increasingly be nothing more than intra-corporate transfers to the multi-nationals.

2. In the United States, the AFL - CIO labour organization is pressing for congressional adoption of the Burke-Hartke Bill, designed to place quotas on U.S. imports of manufactured goods as a protective device to U.S. labour. The Bill has been drafted in response to the actions of multi-national corporate investments in foreign countries in Asia, Africa and Latin America for the purposes of resource and labour exploitation. It spells greater protectionism if passed. It is not surprising that General Motors Corporation and Ford Motor Company are strong proponents of the multi-national corporation cause.

3. We cannot, in our present course, win. We stand as a nation to suffer from protectionism and from the exploitation and manipulations of the multi-national corporations as well. The need for strong measures suggest themselves.

4. It may be considered that the concerns we have expressed in this submission are in some measure unrelated to the scope of your studies. However, in our view, the trends toward multi-national domination of industry of necessity includes the food industry.

5. The greed of these institutions in turning a profit at every conceivable level is unbounded.

6. What then can your committee recommend?

7. Unfortunately, some of its considerations appear already to have been pre-empted.

8. The Prime Minister is reported to have stated it would be "crazy" to impose price controls.

9. Agriculture Minister, Eugene Whelan has predicted that food prices will continue to increase but has rejected a system of price controls balanced by federal subsidies as being the answer, in spite of the fact that this principle already applies to manufacturing milk and cream used in the production of butter, cheese, and skim milk powder and is implied in the domestic wheat payments which act as a consumer subsidy for bread.

10. Finance Minister Turner has removed a number of tariffs on food entering this country on a non reciprocal basis, thereby exposing our producers to a form of one-sided competition with the products of foreign countries.

is may be a popular move with consumers, however it holds sinister implications for farmers and we express our great displeasure over this precipitant action.

1. The prime benefactors of this unilateral removal of tariffs might indeed be the importing food companies, for there is no guarantee that the lower cost of imports will, in fact, be passed on to consumers.

2. As a nation, we are at the threshold of having to make a serious choice of tightening controls on our economic destiny or increasingly permit that responsibility to be hopelessly and irretrievably defaulted to the large multi-national corporations. If the present trends run full course, democracy and responsible government will have no real purpose.

3. The production of food needs to be considered as a national resource industry. Our planning in overall food production, pricing and marketing policy must reverse the growing stranglehold the giant food conglomerates and integrators are increasingly gaining in this country. Government must demonstrate greater concern and encouragement toward maintaining the control of food production in the hands of independent farmers and create the economic climate to assure that this in fact happens.

The National Farmers Union has set on a course of endeavouring to organize farmers to a majority position for the purposes of collective bargaining on the terms and conditions under which food will be produced and sold in this country. We invite your support for the passage of permissive legislation which will recognize the NFU as a certified collective bargaining agent for farmers once that majority position has been attained.

5. The need for an efficient and rational transportation system continues to be a pressing need in this country. Transportation costs play a vital part in determining food costs. We urge your support for the nationalization of the CPR as a necessary first step in upgrading our transportation system.

6. We urge your support of our boycott against the products of the Kraft Corporation as a symbolic gesture of opposition to the growth of the multi-national corporation.

7. We urge your committee recommend a full scale and in-depth study of the food industry in this country as a means of creating a greater awareness, among the people of Canada, of the directions and implications to our future of multi-national monopoly control of our food industry and with a view toward framing recommendations that will repatriate our economic sovereignty.

3. We urge you recommend that food companies not be extended exemption
in the filing of financial statements with the Department of Consumer and
Corporate Affairs.

9. We urge you recommend that a public assessment be made on the
effects of all public grants extended to food corporations with a view
toward assessing the impact of such investments in improving the economic
position of farmers, the effects on creating stable employment, the
degree to which such grants have created regional disparities in other
areas.

10. We urge you recommend that much closer scrutiny be given to the
mergers of food companies with a view toward preventing greater
concentration of power and monopoly control.

11. The 1959 Royal Commission recommended "the establishment of a
permanent Council on Prices, Productivity and Incomes which would keep
the whole area of the food industries under review and which would
present a yearly report to the Governor in Council."

12. It further recommended "that the Director of Investigation and
Research, Combines Investigation Act, be put in a position to extend
inquiries into the buying practices (including contractual arrangements
between buyers and primary producers) and the selling practices of large
business organizations in the food industries and to give the results
the widest possible distribution and publicity".

. Neither of these two recommendations have to our knowledge been
ted upon.

. In conclusion, if this committee and government in general is
riously concerned over the direction of food price trends and the
owing domination of multi-national corporations, it will have to deal
riously with the causes rather than the symptoms of the problem.

this context, price controls with supplementary farm subsidies or
timate public control of the food industry cannot be dismissed.

. "We at Ford Motor Co. look at a world map without any boundaries"
ecutive Vice-President, Robert Stevenson is reported stating to an
sociate Press reporter in July 1971.

. We, of the National Farmers Union, say that this final choice
ould not be allowed to be made for us insofar as Canada is concerned
y multi-national corporations.

All of which is respectfully submitted

National Farmers Union

APPENDIX A

TABLE 1

Minimum Prices for Processing Vegetables, British Columbia and
Ontario -- 1960-64 to 1972

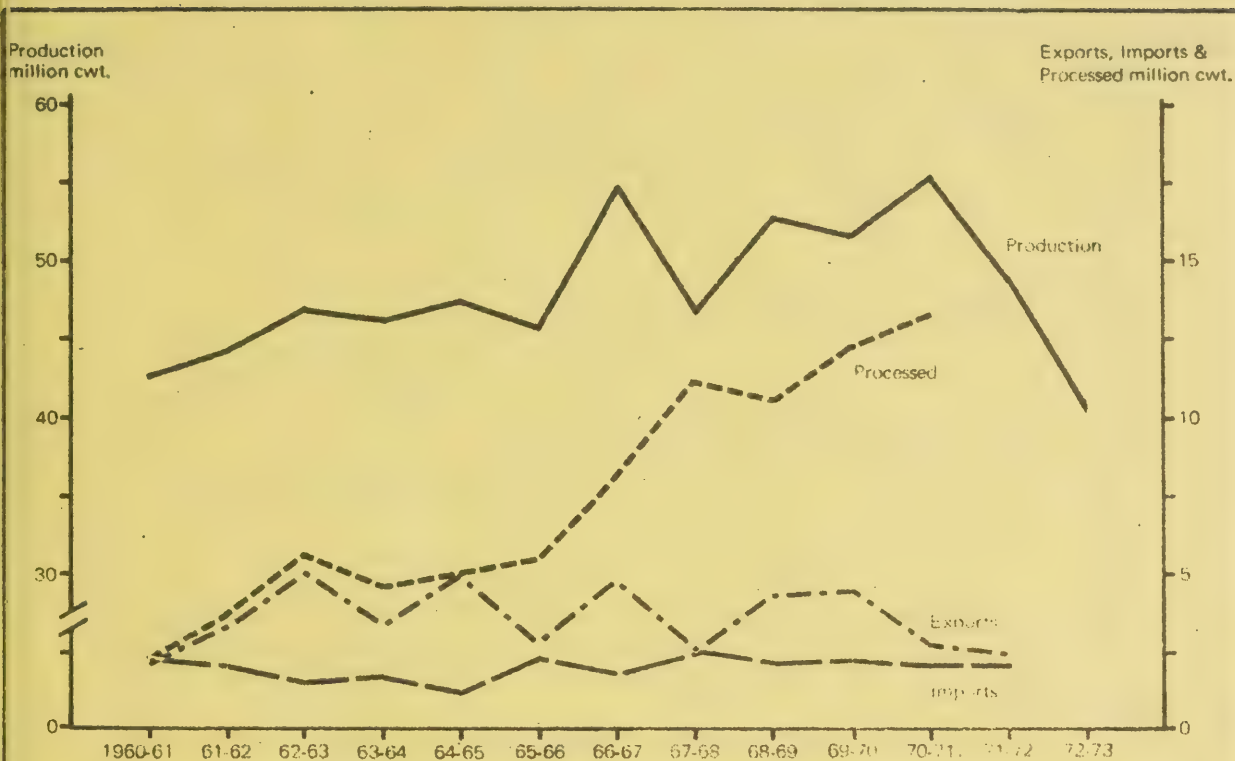
	Average 1960-64	Average 1965-69	1970	1971	1972
	(Dollars per Ton)				
Beans, Green & Wax					
British Columbia ^{a)}	103.92	107.40	98.00	98.00	101.00
Ontario	105.80	109.50	110.00	100.00	100.00
Carrots (early) ^{b)}					
British Columbia ^{c)}	50.00	50.00	50.00	50.00	50.00
Ontario (#1 grade)	50.00 ^{d)}	53.38 ^{e)}	54.45	54.45	54.45
Corn Sweet					
British Columbia ^{f)}	25.88	26.90	29.75	30.00	31.75
Ontario	26.00	28.60	29.50	30.00	30.00
Beans, Green ^{g)}					
British Columbia ^{h)} (106-110)	92.64	101.30	113.30	114.00	115.00
Ontario (0-80)	175.00 ⁱ⁾	179.41	183.40	183.40	183.40
Tomatoes, No.1					
British Columbia	35.17 ^{j)}	41.20	50.00	51.00	46.00 ^{k)}
Ontario	41.50	48.99	51.00	49.50	49.75

Source: Statistics Canada

- a) Average price paid by processors in B.C., 1960-68. Minimum contract price for mechanically harvested beans, subject to a premium for beans under 24/64" in diameter, 1969 to date.
- b) Delivered July 1-20 in B.C. and June 25 to Aug. 15 in Ontario.
- c) Contract prices paid by processors, lower mainland area.
- d) Three-year average, omitting 1961 and 1962.
- e) Four-year average, omitting 1966.
- f) Average price paid by processors in B.C. 1960-68. Contract price applies from 1969 to date.
- g) Tenderometer reading is shown in brackets.
- h) Average prices paid by processors for all grades, 1960-67.
- i) Two-year average, 1963-64.
- j) Three-year average omitting 1962-1963.
- k) Modified field run grade.

TABLE 2:

CANADIAN POTATOES: SUPPLY . . . EXPORTS . . . PROCESSED



Crop Year,
July 1 to June 30

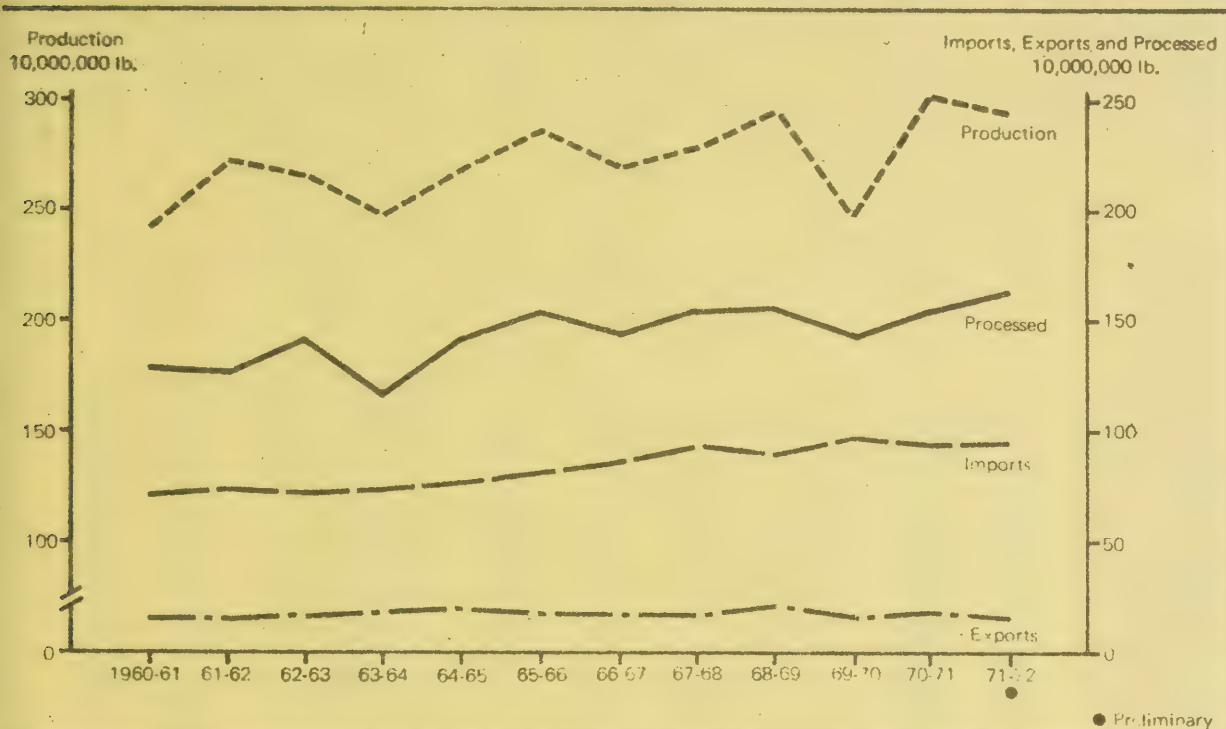
Production Imports Exports Processed
thousand cwt

1960-61	42,696	2,269	2,206	2,160
1961-62	44,108	2,098	3,401	3,696
1962-63	46,878	1,613	4,988	5,615
1963-64	46,061	1,739	3,393	4,638
1964-65	47,333	1,344	4,895	4,971
1965-66	45,786	2,339	2,743	5,400
1966-67	54,679	1,769	4,743	8,015
1967-68	46,743	2,509	2,538	11,077
1968-69	52,883	2,235	4,295	10,504
1969-70	51,859	2,174	4,406	12,258
1970-71	55,138	2,094	2,717	13,349
1971-72	48,810	2,133	2,449	
1972-73	40,517			



TABLE 3:

CANADIAN FRESH VEGETABLES,* EXCEPT POTATOES: SUPPLY ... EXPORTS ... PROCESSED



Crop Year: July 1
to June 30 (except
May 1 to April 30
for Asparagus)

	Production	Imports	Exports	Processed
	ten million lb.			
1960-61	242.1	71.4	16.4	128.8
1961-62	272.1	74.7	16.3	126.4
1962-63	265.2	73.8	18.4	142.2
1963-64	248.8	74.8	19.7	117.0
1964-65	268.2	76.9	20.5	139.9
1965-66	286.1	80.3	18.7	154.0
1966-67	270.9	86.3	18.6	145.3
1967-68	276.4	92.8	17.3	155.1
1968-69	294.8	89.9	23.0	155.6
1969-70	247.3	96.6	18.2	143.5
1970-71	303.3	93.4	19.9	155.0
1971-72 ^a	295.0	94.4	17.5	164.0

^a Preliminary.

* Asparagus, green and wax beans, beets, cabbage, carrots, cauliflower, celery, corn, cucumbers, lettuce, onions, green peas, rutabagas, spinach and tomatoes.

GEORGE WESTON LTD.

PRINCIPAL SUBSIDIARIES

Weston Bakeries Ltd.
McCormick's Ltd.
Poulin Chambers Co. Ltd.
Marven's Ltd.

George Weston Inc. (U.S.)
Weston Biscuit Co. Inc.
Southern Biscuit Co.
American Biscuit Co.

William Neilson Ltd.
Epiett Ice Cream Ltd.
Wilford's Chocolates Ltd.
Devon Ice Cream Ltd.

British Columbia Packers Ltd.
Neilson Bros. Fisheries Ltd.
Rupert Fish Co. Inc.

Gannors Bros. Ltd.
H. W. Welch Ltd.
Lewis Gannors & Sons Ltd. •

Eddy Paper Co. Ltd.
The E. B. Eddy Co.
J. E. Boyle Ltd.

Somerville Industries Ltd.
Somerville Automotive Trim Ltd.
Canadian Folding Cartons Ltd.

Westfair Foods Ltd.
Western Grocers Ltd.
Dominion Fruit Ltd.
W. H. Molkin Ltd.

Kelly, Douglas & Co. Ltd.
Nebob Foods Ltd.
Super-Valu Stores (B.C.) Ltd.
Cal-Von Caterers Ltd.

PLANTS

Twenty plants and bakeries in Canada.
Sales branches (Weston's, McCormick's) across Canada; Poulin Chambers, Western Canada; Marven's, Maritimes and Quebec.

Biscuit plants in Passaic, N.J., Battle Creek, Mich., Richmond, Va. and Tacoma, Wash.

Chocolate factories in Toronto; ice cream plants in Toronto and New Liskeard; dairies in Beechville, Cochrane and Timmins.

Processing, canning and freezing plants in British Columbia, Alaska, California, and on Canada's Atlantic Coast.

Fully integrated Bay of Fundy fisheries operation comprising boats, processing plants, canneries and other plants.

Timber limits and integrated wood harvesting, processing and papermaking.
Plants in Ottawa-Hull area and Dawson, P.Q.

Plants in London, Windsor, Toronto, Scarborough, Don Mills, Bromfield and Strathroy, Montreal, Quebec, and Winnipeg.

Wholesale food warehouses, retail food markets, Mini-Mart convenience stores, Econo-Mart discount food outlets—in Western Canada.
Wholesale food warehouses; retail food markets, and a large food products manufacturing plant—in British Columbia. Also a plant in Ajax.

PRODUCTS—SERVICES

Sweet and soda biscuits; confectionery products; bread, rolls, cakes, pies; breakfast cereals, cake mixes; ice cream and cones and dipping sauces.

Biscuits for national distribution under the Weston's, A.B.C., F.F.V. (Famous Foods of Virginia) and special brand labels.

Chocolate, chocolate coatings and cocoa; chocolate bars and packaged chocolates; bulk and packaged ice cream; processed milk and other dairy products.

Major packers of Pacific coast salmon and a wide variety of fresh, frozen, canned and prepared fish. Also processors of fish oil and meal.

Canada's leading canners of sardines.
Also processors of many kinds of Atlantic Ocean seafoods and fish products.

Fine papers, newsprint, paperboard, converting papers, a wide range of paper products—towels, serviettes, tissues, grocery bags for industrial, commercial and consumer use.

Lithographed and printed folding cartons, containers and packaging materials. Automotive trim, plastic components and consumer products. Displays, games.

Wholesalers of food and other products serving the retail trade in Western Canada.
Operators of convenience stores, discount retail outlets and food markets.

British Columbia food wholesaler, industrial caterer, and major manufacturer of nationally distributed food products including tea, coffee, spices, jams.

KRAFTCO

Kraftco extends throughout the world:

Alimentos Kraft De Venezuela

Inversiones Kraft C.A. (Venezuela)

Dowdall, O'Mahoney & Co. (Mfg.) Ltd. (Ireland)

Kraft Foods (Pty.) Ltd. (South Africa)

Vancouver Fancy Sausage Co. Ltd. - Canada

Kraft Foods A/S - Denmark

Kraft Foods Ltd. - Canada

Darifarm Foods Ltd. - Canada

Kraft Foods De Mexico & S.A. C.V.

Kraft Foods Svenska A.B. - Sweden

Kraft Foods Inc. - Philippines

Kraft Foods S.A. - Panama

Kraft Foods Ltd. - England

Brains (Food Products) Ltd. - England

Mitcham Foods Ltd. - England

Kraft S.P.A. - Italy

Kraft Holdings Ltd. - Australia

Kraft Foods Ltd. - Australia

Fred Walker & Com. Pty. - Australia

Sungold Dairies Pty. Ltd. - Australia

Kraft G.M.B.H. - Germany

Erste Deutsche Knaeckbrotwerke G.M.B.H.

Herzjunge-Kaesewerk G.M.B.H. - Germany

Dominion Dairies Ltd. - Canada (83.6%)

Purity Dairies Ltd. - Canada

Kraft Foods Ltd. Y Compania Ltda. - Guatemala

Krafte-Leonesas S.A. - Spain (85.5%)

Fromagie Franco-Suisse "Le Ski" S.A. - Belgium

M. K. Cheese Co. - Japan (50%)

Sealtest Foods Division - Canada

Kraftco co-ordinates its control in the corporate world via directorate connections with other monopolies

